

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



WS-02987A
Johnson Utilities Company
5320 E. Shea Blvd.
Scottsdale AZ 85254-0000

WASTE WATER

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
-----------	-----------	-------------

FOR COMMISSION USE

ANN05	02
--------------	-----------

ARIZONA CORPORATION
COMMISSION

RECEIVED
APR 14 2003

Director of Utilities

Revenue

\$ 2,003,380 (water)
654,432 (sewer)

\$ 2,657,812 TOTAL

Reco

+ 872,674 (water)
629,518 (sewer)

1,502,192 TOTAL

SCANNED

22 APR 2003

PROCESSED BY:

4/14/03 cjm

~~15 APR 2003~~

Statutory Agent: RICHARD SALLQUIST
(Name)

2525 E. AZ BILTMORE CIR #117 PHOENIX AZ 85016
(Street) (City) (State) (Zip)

(602)224-9222
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: SAME
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input checked="" type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

JOHNSON UTILITIES, LLC

UTILITY PLANT IN SERVICE*Replaced*

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights	910,000		910,000
354	Structures and Improvements	453,663	53,680	399,983
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers	12,080,671	1,276,858	10,803,813
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	13,444,334	1,330,538	12,113,796

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

YEAR ENDING DECEMBER 31, 2002

JOHNSON UTILITIES, LLC

UTILITY PLANT IN SERVICE (AS RESTATED)

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights	910,000		910,000
354	Structures and Improvements	453,663	26,840	426,823
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers	12,080,671	638,429	11,442,242
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	13,444,334	665,269	12,779,065

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

JOHNSON UTILITIES, LLC

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights	910,000		
354	Structures and Improvements	453,663	5%	22,683
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers	12,080,671	5%	549,604
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	SUBTOTAL	13,444,334		572,287
	CIAC Amortization			(187,687)
	TOTALS	13,444,334		384,600

Replaced

This amount goes on Comparative Statement of Income and Expense Acct. 403

COMPANY NAME	YEAR ENDING <u>DECEMBER 31, 2002</u>
JOHNSON UTILITIES, LLC	

CALCULATION OF DEPRECIATION EXPENSE (AS RESTATED)

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights	910,000		
354	Structures and Improvements	453,663	2.5%	11,342
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers	12,080,671	2.5%	274,802
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	SUBTOTAL	13,444,334		286,144
	CIAC Amortization			(93,844)
	TOTALS	13,444,334		192,300

Note: Depreciation is calculated using the Half-Year convention.

This amount goes on Comparative Statement of Income and Expense Acct. 403

**ULLMANN
& COMPANY P.C.**
Certified Public Accountants

Replaced

To the Board of Directors of
The Sewer Division of Johnson Utilities, L.L.C.
Scottsdale, Arizona

We have compiled the balance sheet of The Sewer Division of Johnson Utilities, L.L.C. as of December 31, 2002 and 2001, and the comparative statement of income and expenses for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Ullmann & Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants

March 31, 2003

ULLMANN
& COMPANY P.C.
Certified Public Accountants

To the Board of Directors of
The Sewer Division of Johnson Utilities, L.L.C.
Scottsdale, Arizona

We have compiled the balance sheets (as restated) of The Sewer Division of Johnson Utilities, L.L.C. as of December 31, 2002 and 2001, and the comparative statements of income and expenses (as restated) for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Certain errors resulting in an overstatement of previously reported depreciation as of December 31, 2002 and 2001, were discovered by management of Johnson Utilities, L.L.C. subsequent to the issuance of our report on those financial statements dated March 31, 2003. Accordingly, the accompanying 2002 and 2001 financial statements have been restated to correct the error.

Ullmann & Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants

June 13, 2003

COMPANY NAME

JOHNSON UTILITIES, LLC

BALANCE SHEET*Replaced*

Acct. No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 10,425	\$ 410,535
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	33,644	136,735
146	Notes/Receivables from Associated Companies	59,699	49,743
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	128,177	117,842
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 231,945	\$ 714,855
	FIXED ASSETS		
101	Utility Plant in Service	11,267,156	13,444,334
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	758,250	1,330,538
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 10,508,906	\$ 12,113,796
	TOTAL ASSETS	\$ 10,740,851	\$ 12,828,651

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

COMPANY NAME	YEAR ENDING <u>DECEMBER 31, 2002</u>
JOHNSON UTILITIES, LLC	

BALANCE SHEET (AS RESTATED)

Acct. No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 10,425	\$ 410,535
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	33,644	136,735
146	Notes/Receivables from Associated Companies	59,699	49,743
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	128,177	117,842
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 231,945	\$ 714,855
	FIXED ASSETS		
101	Utility Plant in Service	11,267,156	13,444,334
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	379,125	665,269
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 10,888,031	\$ 12,779,065
	TOTAL ASSETS	\$ 11,119,976	\$ 13,493,920

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

COMPANY NAME

JOHNSON UTILITIES, LLC

BALANCE SHEET (CONTINUED)*Replaced*

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 436,827	\$ 583,407
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	369,703	28,312
235	Customer Deposits		
236	Accrued Taxes	110,485	110,682
237	Accrued Interest	34,730	50,316
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 951,745	\$ 772,717
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 261,760	\$ 236,585
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$ 3,013,517	\$ 5,433,041
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	2,299,152	5,208,322
272	Less: Amortization of Contributions	147,272	334,959
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 5,165,397	\$ 10,306,404
	TOTAL LIABILITIES	\$ 6,378,902	\$ 11,315,706
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ -	\$ -
211	Other Paid in Capital		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	4,361,949	1,512,945
	TOTAL CAPITAL	\$ 4,361,949	\$ 1,512,945
	TOTAL LIABILITIES AND CAPITAL	\$ 10,740,851	\$ 12,828,651

COMPANY NAME	YEAR ENDING <u>DECEMBER 31, 2002</u>
JOHNSON UTILITIES, LLC	

BALANCE SHEET (AS RESTATED) - (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 436,827	\$ 583,407
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	369,703	28,312
235	Customer Deposits		
236	Accrued Taxes	110,485	110,682
237	Accrued Interest	34,730	50,316
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 951,745	\$ 772,717
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 261,760	\$ 236,585
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$ 3,013,517	\$ 5,433,041
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	2,299,152	5,208,322
272	Less: Amortization of Contributions	73,636	167,479
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 5,239,033	\$ 10,473,884
	TOTAL LIABILITIES	\$ 6,452,538	\$ 11,483,186
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ -	\$ -
211	Other Paid in Capital		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	4,667,438	2,010,734
	TOTAL CAPITAL	\$ 4,667,438	\$ 2,010,734
	TOTAL LIABILITIES AND CAPITAL	\$ 11,119,976	\$ 13,493,920

COMPANY NAME

JOHNSON UTILITIES, LLC

COMPARATIVE STATEMENT OF INCOME AND EXPENSE*Replaced*

	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
521	Flat Rate Revenues	\$ 334,505	\$ 576,672
522	Measured Revenues		
536	Other Wastewater Revenues	13,775	39,700
	TOTAL REVENUES	\$ 348,280	\$ 616,372
	OPERATING EXPENSES		
701	Salaries and Wages		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	22,228	851
715	Purchased Power	57,759	67,036
716	Fuel for Power Production		
718	Chemicals	858	661
720	Materials and Supplies	9,756	8,400
731	Contractual Services - Professional	133,242	177,894
735	Contractual Services - Testing		
736	Contractual Services - Other		
740	Rents		
750	Transportation Expense	5,583	0
755	Insurance Expense	6,676	0
765	Regulatory Commission Expense		
775	Miscellaneous Expense	14,132	3,911
403	Depreciation Expense	320,413	384,600
408	Taxes Other Than Income		
408.11	Property Taxes	55,405	30,692
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 626,052	\$ 674,045
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 1,126	\$ 3,492
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	17,634	29,502
	TOTAL OTHER INCOME/EXP	\$ (16,508)	\$ (26,010)
	NET INCOME/(LOSS)	\$ (294,280)	\$ (83,683)

COMPANY NAME	YEAR ENDING DECEMBER 31, 2002
JOHNSON UTILITIES, LLC	

COMPARATIVE STATEMENT OF INCOME AND EXPENSE (AS RESTATED)

	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
521	Flat Rate Revenues	\$ 334,505	\$ 576,672
522	Measured Revenues		
536	Other Wastewater Revenues	13,775	39,700
	TOTAL REVENUES	\$ 348,280	\$ 616,372
	OPERATING EXPENSES		
701	Salaries and Wages		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	22,228	851
715	Purchased Power	57,759	67,036
716	Fuel for Power Production		
718	Chemicals	858	661
720	Materials and Supplies	9,756	8,400
731	Contractual Services - Professional	133,242	177,894
735	Contractual Services - Testing		
736	Contractual Services - Other		
740	Rents		
750	Transportation Expense	5,583	0
755	Insurance Expense	6,676	0
765	Regulatory Commission Expense		
775	Miscellaneous Expense	14,132	3,911
403	Depreciation Expense	160,207	192,300
408	Taxes Other Than Income		
408.11	Property Taxes	55,405	30,692
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 465,846	\$ 481,745
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 1,126	\$ 3,492
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	17,634	29,502
	TOTAL OTHER INCOME/EXP	\$ (16,508)	\$ (26,010)
	NET INCOME/(LOSS)	\$ (134,074)	\$ 108,617

COMPANY NAME	JOHNSON UTILITIES, LLC
---------------------	------------------------

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	Various			
Source of Loan	Member			
ACC Decision No.				
Reason for Loan	Capital Impr.			
Dollar Amount Issued	\$261,760	\$	\$	\$
Amount Outstanding	\$236,585	\$	\$	\$
Date of Maturity	Demand			
Interest Rate	8%	%	%	%
Current Year Interest	\$18,927	\$	\$	\$
Current Year Principle	\$0	\$	\$	\$

COMPANY NAME JOHNSON UTILITIES, LLC

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	EXTENDED AERATION, AEROBIC LAGOONS
DESIGN CAPACITY OF PLANT (Gallons Per Day)	1.6 MGD

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
MAIN PUMP STATION	2	30	325	7500
REUSE PUMP STATION	2	30	420	1879
UNIT 4A PUMP	2	5	400	380
UNIT 4D/4F PUMP STATION	2	18	656	1184
UNIT 6 PUMP STATION	2	3	100	440
OASIS @ MAGIC RANCH PUMP STATION	2	7.5	593	887
SUPERSTITION VIEWS	2	7.5	90	440
OASIS SUNRISE	2	15	500	2162
SAN TAN PUMP STATION	2	75	500	7500
COPPER BASIN PUMP STATION	2	30	380	7780
CIRCLE CROSS PUMP STATION	2	50	500	2256
PECAN RANCH PUMP STATION	2	75	500	2162

FORCE MAINS

Size	Material	Length (Feet)
4-inch	PVC	2,704
6-inch	PVC	6,610
8-inch	PVC	71,635

MANHOLES

Type	Quantity
Standard	771
Drop	3

CLEANOUTS

Quantity
185

COMPANY NAME JOHNSON UTILITIES, LLC

WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4		
6		7798
8		153408
10		16033
12		13212
15		167
18		1580
21		
24		
30		

SERVICES

Size (in inches)	Material	Quantity
4		4900
6		2
8		
12		
15		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

SOLIDS PROCESSING AND HANDLING FACILITIES	NONE
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	6 CHLORINATORS
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	NONE
STRUCTURES (Buildings, Fences, Etc.)	FENCES – 12 WELL SITES, 6 WATER PLANTS, 11 LIFT STATIONS. 1 WWTP.
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	3 GENERATORS, 1 BACKHOE, 1 BULL DOZER

COMPANY NAME

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January 2002	910	4,355,000	178,000
February 2002	945	4,426,000	228,000
March 2002	1031	5,111,000	221,000
April 2002	1088	5,744,000	272,000
May 2002	1137	6,395,000	303,000
June 2002	1161	5,853,000	218,000
July 2002	1248	5,918,000	248,000
August 2002	1411	7,348,000	294,000
September 2002	1505	6,683,000	400,000
October 2002	1670	7,099,000	463,000
November 2002	1748	6,964,000	512,000
December 2002	1947	7,798,000	534,000

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method Of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Evaporation & Recharge Basin
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	Not assigned
Groundwater Permit Number	58-106857-0005, 58-113322-0004
ADEQ Aquifer Protection Permit Number	P 103081
ADEQ Reuse Permit Number	R 103081
EPA NPDES Permit Number	N/A

STATISTICAL INFORMATION

Total number of customers 1947

Total number of gallons treated 73,694,000 gallons

COMPANY NAME JOHNSON UTILITIES, LLC YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A (LLC)</u>
Estimated or Actual Federal Tax Liability	<u>N/A (LLC)</u>

State Taxable Income Reported	<u>N/A (LLC)</u>
Estimated or Actual State Tax Liability	<u>N/A (LLC)</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-9-03
DATE

GEORGE H. JOHNSON
PRINTED NAME

MANAGING MEMBER
TITLE

COMPANY NAME JOHNSON UTILITIES, LLC YEAR ENDING 12/31/2002

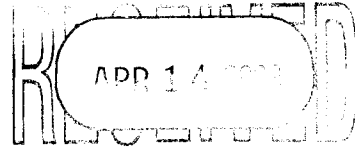
PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 6,121

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	DIRECTOR OF UTILITIES
NAME (OWNER OR OFFICIAL) TITLE GEORGE H. JOHNSON	
COMPANY NAME JOHNSON UTILITIES L.L.C. - SEWER DIVISION	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 654,432

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 38,060
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

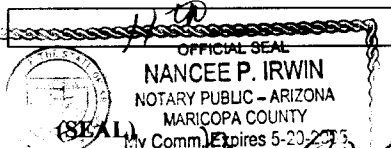
SIGNATURE OF OWNER OR OFFICIAL
480-998-3300

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

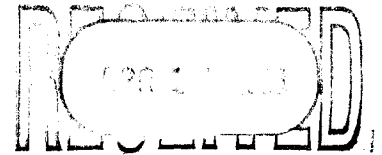
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	20 <u>03</u>

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 20, 2005

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION



Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)		MARICOPA
NAME (OWNER OR OFFICIAL)	GEORGE H. JOHNSON	TITLE PRESIDENT
COMPANY NAME JOHNSON UTILITIES L.L.C. - SEWER DIVISION		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 629,518

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 36,611
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

11th

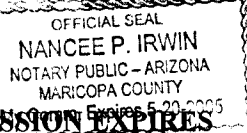
DAY OF

NOTARY PUBLIC NAME Nancee P. Irwin	
COUNTY NAME Maricopa	
MONTH April	20 03

(SEAL)

MY COMMISSION EXPIRES

May 20, 2005



X
SIGNATURE OF NOTARY PUBLIC

JOHNSON UTILITIES COMPANY PLANT INVENTORY WASTEWATER

TREATMENT PLANTS

Name	GPD	Lot Size		Deeded to JUC?	Tax Parcel
Johnson Ranch Main WWTP	1.6M	87 Acres		Gen Hunt	200-24-003D5 (?? 287 Ac ??)
Precision	3M	37 AC		? Lease to CAC	210-20-001K
Marwood	Retired	N/A			

LIFT STATIONS

Name	Location	Number Pumps	Horsepower	GPM each	Wet Well Capacity	Deeded to JUC?	Tax Parcel
Main Station	Water Plant #1	2	30	325	7500		
Station 4A	JR Unit 4	2	7.5	156	380		
Station 6	JR Unit 6	2	3	100	440		
San Tan Station	San Tan Unit XX	2	25	500	7500		
Pecan Station	Pecan Ranch Unit XX	2	75	500	1879		
Reuse Station	Main WWTP	2	30	420			
Superstation Views	Superstition Views	2	7.5	90	440		
4D/4F	JR Unit 4D/4F	2	3				
Copper Basin	Copper Basin Devel	2	30	380	1688		
Copper Basin	Copper Basin Devel	2	40	380	3750		
Circle Cross	Circle Cross Devel	2	50	500	1879		
Magic Ranch Phase 1	Magic Ranch Phase 1	2	7.5	593			
Oasis Sunrise	Oasis Sunrise Devel	2	15	500	1879		

JOHNSON UTILITIES COMPANY

PLANT INVENTORY

WASTEWATER

ON-SITE MAINS														Subdivision	18" Mains	15" Mains	12" Mains	10" Mains	8" DIP	8" Mains	6" Mains	4" Main	Tot. Mns	4' M.H.	5' M.H.	C.O.	30" SIV
														JR Unit 1			1,200			5,135				26			6
														JR Unit 2			465			4,120				18			
														JR Unit 3A			2,484			4,035				20			
														JR Unit 3B			710			1,996				8		1	
														JR Unit 4A						9,283				35		9	
														JR Unit 4B						5,839	639			19		6	
														JR Unit 6						3,559	551			11	1	3	
														JR Unit 7			1,035			8,447	1,041			55		10	
														JR Unit 8			1,034			4,800	765			22		6	
														JR Unit 12			1,212			6,370	1,092			35		10	
														JR Unit 13						8,887	706			33		6	
														Lakeview Gardens						2,273				14			
														JR Units 4D & F						14,416	1,708			47	18	13	
														JR Unit 15						8,954				56	3	5	
														San Tan OS Mn Parcels 8 & 9			1,460	1,860	484	2,340			-	17		15	
														San Tan Parcel 8					177	3,139				14		19	
														San Tan Parcel 9						3,892				2	11	8	
														SanTan OS Mn Parcels 5, 6, & 7	1,580					1,140				11	5	16	
														San Tan Parcel 5					133	4,386				10	1	11	
														San Tan Parcel 6					105	3,400				17		17	
														San Tan Parcel 7					242	4,207				3			
														Johnson Holdings/Tosco						634				10	1		
														Circle Cross Parcel 2			159	1,412		2,344				26	1		
														Circle Cross Parcel 3			361	2,554		3,708				14	1		
														Circle Cross Parcel 5			155			2,769				18			
														Circle Cross Parcel 6				2,615		3,500				11	5	1	
														Circle Cross Parcel 1			1,471	915		2,914				17	1	3	
														Circle Cross Parcel 2			202	3,007		1,656				19	8	3	
														Circle Cross Parcel 4			361	2,211		4,489				15	1	-	
														Circle Cross Parcel 5			206			3,802				19			
														Copper Basin Unit 2						3,775				22	5		
														Oasis at Magic Ranch				1,459	326	7,704				28	-	6	
														Oasis Sunrise				362		5,495	689						
														Total	1,580	-	12,515	16,033	1,467	153,408	6,502	-	191,505	670	79	174	-
																						Miles	36.27				
																						Total Miles	64.00				

BACKBONE MAINS

JUC Plant Inventory.xls

NOV 07 2002

Pinal County Treasurer TAX RECEIPT

PO Box 729

Florence, AZ 85232-0729

Phone: (520) 868-6412 Fax: (520) 868-9007

www.co.pinal.az.us/treasurer e-mail: treasurer@co.pinal.az.us

Paid By: JOHNSON UTILITIES 5230 E SHEA BLVD STE 200 SCOTTSDALE, AZ 85254	IMPO Batch: 2036547 Payment Date: 11/01/2002 Interest Date: 10/31/2002 Printed By: TRSMOC
--	--

Parcel Number	Description	Amt Pd	Balance Due	If Paid By
210-20-001J4	2002 Taxes Paid	2,308.28 ✓ 2,308.28	2,308.28	05/01/2003
BEG @ NW COR OF SEC 20 E-1688.00 S-2645.00 TO POB N36D W-316.12 E-409.93 S15D E-46.34 S-21DE-224.29 W-313.74 TO POB SEC 20-3S-8E91783 SQ FT 2.13 AC				
210-20-001K6	2002 Taxes Paid	23.64 ✓ 23.64	.00	
BEG @ NE COR OF SEC 20 W-1307.71 S-40.00 S07D W-445.04 S03D W-481.62 N86D W-20.00 TO POB W-224.99 N03D W- 69.57 E-234.14 S03D W-69.85 TO POB SEC 20-3S-8E 1 6117 SQ FT .37 AC				
904-70-12001	2002 Taxes Paid	11,965.48 ✓ 11,965.48	132,618.50	11/30/2002
TOTAL VALUE OF OPERATING PROPERTY				
984-20-120T2	2002 Taxes Paid	6,121.32 ✓ 6,121.32	76,432.70	11/30/2002
TOTAL VALUE OF OPERATING PROPERTY				

WATER = 14,297.40

SEWER = 6,121.32